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S E C R E T SECTION 01 OF 03 ROME 002965

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SUBJECT: WELCH REJECTS "AMBIGUITY" ON HAMAS RECOGNITION OF

ISRAEL

REF: SECSTATE 172274

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Classified By: Ambassador Ronald P. Spogli, reasons 1.4 (b) and (d)

Summary

11. (S) Italy's MFA Middle East director Riccardo Sessa says European countries want to help move the Israeli-Palestinian issue forward, but the issue is how best to do so. He said a breakthrough could require a greater degree of ambiguity on the issue of Hamas recognition of Israel. NEA A/S Welch firmly disagreed, noting this was exactly the wrong time to signal any elasticity in what should be a responsible choice for Hamas. On the contrary, it was a time to press them. What was needed now was practical progress on the ground. Sessa agreed with Welch that confidence-building measures from both sides were necessary and that it would be helpful to reopen both the Rafah and Karni crossings in Gaza. Sessa said if there continued to be no progress on Rafah, the Italian commander might be withdrawn. But he stressed that it was important to hold out a political horizon for the parties, and expressed hope the US would turn its attention to this. Welch said the USG was doing exactly that, and the Secretary's recent trip had been intended to signal US

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seriousness on this score. In discussing Italy's UNIFIL role in southern Lebanon, Welch raised the idea of a UN Sanctions Committee to monitor compliance with the Hizballah arms supply ban. Sessa agreed on the need to pressure Syria, but cautioned Syria-Lebanon frictions made it risky for Lebanon's stability to move too quickly to formal creation of a new UN committee. End Summary.

Sessa: More Ambiguity on Hamas Recognition of Israel?

- 12. (U) A/S Welch and Ambassador met October 19 with MFA Middle East Director General Riccardo Sessa and Cesare Ragaglini, who has been named to succeed Sessa later this year. Also attending were MFA Near East Office director Luciano Pezzotti and an MFA Middle East Office staffer, as well as State Department Deputy Legal Adviser Schwartz, Rome Pol M/C, Rome poloff, and NEA staff assistant.
- ¶3. (C) Welch again thanked Sessa for Italy's leadership on Lebanon, and noted Italy would soon be on the UNSC.

Referring to the stalemated balloting then under way in New York for the Latam seat, Welch and the Ambassador both said it would not be in anyone's interest for Venezuela to be on the Council. Sessa and Ragaglini agreed, but noted Italy had abstained in initial balloting due to the substantial number of Italian expats in Venezuela, a community that was already feeling pressured by the Chavez government.

14. (S) Sessa said European countries were anxious to help move the Israeli-Palestinian peace process forward. The question was how. What does supporting Abu Mazen mean? What does supporting a national unity government mean? A problem for the EU was how to approach Hamas, which is on the EU terrorism list but which had won free and fair elections. He said we need to find the courage to develop a more flexible approach on the issue. The problem was not just stopping the violence. It was not just recognizing previous agreements. The real problem was recognition of Israel by Hamas. Perhaps we need to live with some degree of ambiguity.

Welch: No Time to Soften; Progress on Ground Key

15. (S) Welch said he had to push back on this idea. This was the wrong time to signal elasticity in what should be a responsible choice for Hamas. The US was not trying to be particularly "holy" on what constitutes recognition. But when such formulas had been tried on Hamas, they had rejected them. They rejected the idea of two states, for example, which would be implicit recognition. They rejected the idea of accepting previous agreements unless they were "in accordance with Palestinian interests" -- a formula allowing them an implicit out and veto. The fact is, they won't agree. Hamas is a party that is more Islamic than Palestinian. There is a fatwa that rules any part of the Holy Land is an Islamic trust. A few people in Hamas have shown signs of cooperating in a technocratic PA government,

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in which there might be ministers close to, but not members of, Hamas. But so far, they were a minority. The policy of isolating and pressuring Hamas was succeeding, and could eventually lead to an exit. This was not the time to change; on the contrary, it was a time to push.

16. (C) Sessa listened carefully, and did not disagree. But, he said, a political horizon was still needed. Unfortunately, the Arabs were divided and Israel was in a weak position. The Arabs believe the US would not act forcefully until after the mid-term elections, but they hoped for a US push afterward. Welch responded that the Secretary's recent trip was intended to signal that the US

SIPDIS would indeed be engaged.

- 17. (C) Sessa said the most involved countries in Europe on Mideast questions were Italy, France, Germany, the UK, and Spain. Moratinos of Spain was particularly active and planned to host a meeting in Alicante the next week of 11 Euro-Med countries (Italy, France, Spain, Greece, Portugal, Malta, Turkey, Cyprus, Morocco, Tunisia, and Egypt.) He sought a way forward with Hamas on the three Quartet conditions. Welch said Moratinos could try what Abu Mazen, Egypt, and Qatar have all tried, and he will fail, because Hamas doesn't want it. And the problem with this Hamas-based approach, he added, is that it undermines those in the PA who have a different approach.
- 18. (S) The US view, he said, was to get something going on the ground, real results. We need to get past the prisoners issue, do things even though Shalit remains a captive, e.g., open Rafah and Karni, work on a withdrawal from northern Gaza. We can't do a final status negotiation right now. Pezzotti agreed; what was needed were practical steps like

withdrawal and an end to rocket attacks. Sessa said yes, and if there were no progress in opening Rafah, the Italian commander might be withdrawn. But, he said, besides steps on the ground it was also necessary to give people a long-term, or at least a medium-term, perspective. They need to see have a vision of what their future will be. Welch agreed, and said the US would pursue it. Furthermore, we don't want to wait until after the elections, as some may pressume. We need to do some things now: more security in Gaza; unlock the access/movement issues; promote a more positive Israel-Palestinian relationship. Over the longer-term, perhaps an international presence in Gaza could be a CBM for Israel.

Sessa: No Sign Yet Syria Violating Embargo

- 19. (S) Welch asked Sessa if he thought Syria intended to observe the arms embargo. Sessa said the GOI had no information on violations, and asked if USG did. Pezzotti put in that Syria intended to destabilize Lebanon. Maybe, Welch said, that is where they intend to use their influence. But it was encouraging that Italy had no reports of arms smuggling. The USG had reports of some attempts, but no hard evidence.
- 110. (S) On the issue of Hizballah disarmament, Sessa noted the weakness of PM Siniora's government restricts its ability to take concrete action. He added that putting too much pressure on Lebanon at this moment, would not be constructive. Hizballah wants a face-saving solution; it does not want to be disarmed by the international community; but may be ready to deliver weapons and equipment to the Lebanese army. Welch asked if this had happened. Sessa said he thought "some" materiel had been turned over, but the Lebanese had not publicized it and he had told them the international community needed to see this if and when it happened.

Cautious on Sanctions Committee for UNSCR 1701

111. (S) Welch said we were likely going through a period in which Syria was trying to establish whether UNSCR 1701 had any teeth; if it is not credible, they will test it. He said Europe should avoid sending mixed signals to Syria, and high-level visits to Damascus send such signals. UNSCR 1701 gives legal force to an arms embargo and as such every UN member has an obligation to enforce it. However, as written,

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UNSCR 1701 does not call for the creation of a Sanctions Committee, a UN body that would be responsible for oversight. Perhaps a brief, new Resolution is needed to do this; the US would like to see one passed no later than the end of January and would encourage Italy to support that effort.

- 112. (S) Sessa agreed on the need to pressure the Syrians but wondered if a new UN committee would help. He felt that Syria-Lebanon differences made it risky to move too quickly on formal creation of such a committee; it may not help Lebanon's fragile stability. Italy was on the ground in Lebanon, Sessa said, and asked that there be a cautious approach on this, at least until there is concrete evidence of a violation. Welch said a resolution didn't need to mention Syria; and the issue was not to disarm Hizballah, but to prevent its re-armament by creating a committee to look into infractions. It was a way to give meaning, credibility, and content to UNSCR 1701.
- 113. (S) In a subsequent October 20 telephone conversation between Sessa and Welch, Sessa added he would welcome more information on the topic of a UN Sanctions Committee and Welch promised to forward a non-paper.

- 114. (S) Sessa's preoccupation with providing a "political horizon" on the Israel-Palestinian issue reflects the view of his own foreign minister and, according to the Italians, others countries in the EU. They believe their willingness to take part in regional stabilization operations, such as UNIFIL, should be tied to an overall political process aimed at defusing underlying tensions in the region. They also see renewed US-EU commitment on the peace process as an integral aspect of the larger war on terrorism and combating the domestic security threats they face. At the same time, they realize the need for a USG lead. Hence Sessa probed on Hamas recognition, but did not persist when Welch came back strongly against, noting only the need to give people in the region some vision about where the peace process might be heading. The Italian official's caution on the idea of a UN Sanctions Committee stems from concern that Syria will see it as a hostile act and react by destabilizing Lebanon -- a situation that Italy, with troops on the ground in the south, is naturally anxious to avoid. End Comment.
- $\P15$. (U) A/S Welch has cleared this cable. SPOGLI